



Acting Director's Comments

Presentation to
California State Lottery Commission
November 21, 2013

Overview

- Introduction of New Sled Appointees
- Annual Financials
- Business Update
- Lottery Recognition
- Today's Agenda



Welcome

- Deputy Director of SLED Steve Tacchini
- Assistant Deputy Director of SLED Chris Lewis

Annual Financial Statement

- State law requires the Lottery to engage an independent firm of CPAs to conduct an annual audit
- KPMG LLP conducted the FY 2012-13 annual audit
- No material issues found in the audit
- FY 2012-13
 - Approximately \$1.3 billion to California public schools and colleges
 - Approximately \$2.7 billion in prizes to players and \$303 million in commissions, cashing bonuses and other retailer incentives



Sales Overview: YTD Sales on pace to meet Goal and 18% ahead of Last Year

	FY Sales thru 11-16 (in millions)	% of Goal	Change vs. Last Year
TOTAL SALES	\$1,801.34	98%	18%
Scratchers (Consumer Sales)	\$1,135.68	95%	8%
<u>Jackpot Games</u>	<u>\$471.93</u>	<u>105%</u>	<u>61%</u>
Powerball	\$233.57	118%	n/a
MEGA Millions	\$118.77	89%	-20%
SuperLotto Plus	\$119.59	101%	-16%
Daily Games	\$125.83	99%	-2%
Hot Spot	\$67.91	110%	39%

Results from \$20 Scratchers Game

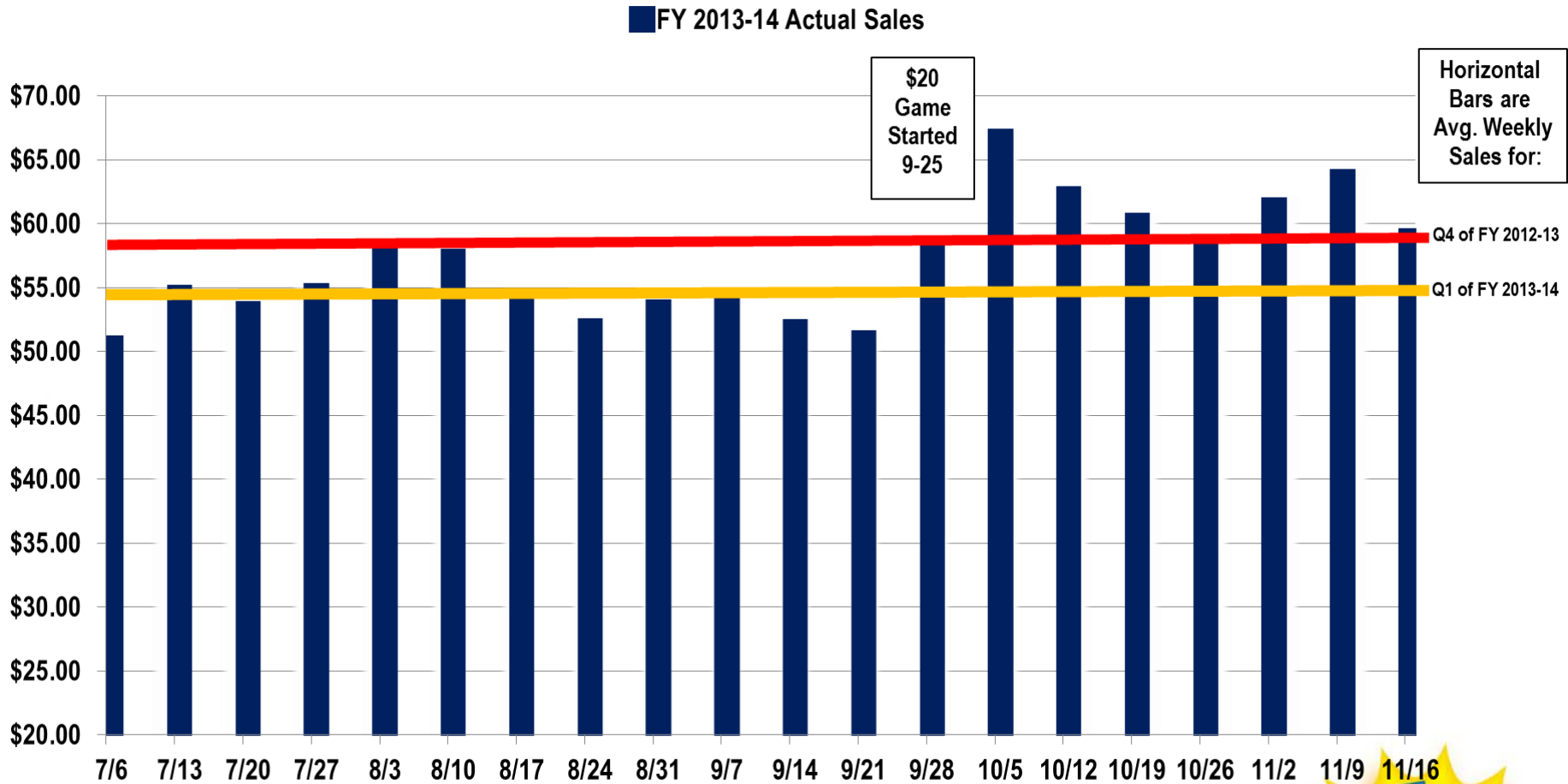


- First full week = \$17.2 million in sales
- Resulting in Record Scratchers Sales of more than \$66.8 million that week
- Continues to be the top selling Scratchers ticket each week
- Sold over \$104 million in 8 weeks
- 2 Winners of top \$5 million prize

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Total Scratchers Sales Up 9-10% With \$20 Game



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Lottery Recognition

- NASPL “Batchy” and “Best of the Batch”
 - 10 for Powerball (California Dreaming)
 - 1 for Fortune 55 Scratchers (More Luck for Your Buck)
 - TV Advertising (3); Radio Advertising (2); Print Advertising (3); Cinematography (1); Special Events Promotion (1); Best of the Batch (1)
- Sharon Sharp Award for Good Causes
 - PGRI
 - Highest Net % Increase in a Year to Beneficiary
 - FY 2011/2012 19.8% Over Prior Year

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Today's Action Items on Agenda

- Approval of Facilities Master Plan – **Terry Murphy**
- Slight Change to Simplify and Expand the Retailer Incentive Program – **Nick Buchen**
- Lottery Regulations – **Nick Buchen**
- Customer Relationship Management Solution – **Nick Buchen**
- Ratification of Contract Closeout-Natoma Technologies – **Amy Tong**
- Players Rewards Program – **John Reilly**
- Contract Extension for Financial Services – **Roberto Zavala**
- Retailer Compensation - **David Cole**

